living is somewhat lower than in Estonia and Latvia, and the Lithuanian farmer can therefore accept prices which in the other countries would be considered too low. Further, Lithuania was fortunate in that there had been a great increase of her bacon exports to the United Kingdom just before the bacon quota was imposed in that country, with the result that the maximum of her bacon exports to Great Britain was fixed at a substantially higher figure than for the other two countries. Moreover, in recent years Lithuania's exports of bacon and butter have come to occupy a higher percentage of the country's total exports than in Estonia and Latvia, and it is consequently all the more important for the Government to foster the production and export of these commodities by subsidies, even if it means incurring a loss expressed in terms of national currency. The developments of the past few years are shown in the following tables:

439 234 231

TABLE 36. *Butter*

(a) EXPORTS TO ALL COUNTRIES
(*In thousand metric tons*)

234 439

	Estonia	*Latvia*	*Lithuania*
Annual average 1927-9. . . .	11·2	12·9	2·9
Year 1930 . . .	14·1	18·4	7·4
„ 1931 . . .	14·4	18·7	8·7
„ 1932 . . .	12·5	18·6	9·9
„ 1933 . . .	9·2	15·6	9·6
„ 1934 . . .	10·1	15·7	9·7
„ 1935 . . .	10·8	16·8	12·2
„ 1936 . . .	11·0	17·3	14·6
„ 1937 . . .	13·2	19·2	15·1

(b) TOTAL OF COWS
(*In thousands*)

231

	Estonia	*Latvia*	*Lithuania*
Year 1930 . . .	416	728	696
„ 1936 . . .	446*	880	763

* 1937.

TABLE 37. *Bacon*

(a) EXPORTS TO ALL COUNTRIES.
(*In thousand metric tons*)

253 ● 439

	Estonia	*Latvia*	*Lithuania*
Annual average 1927-9. . . .	1·9	2·1	0·2
Year 1930 . . .	1·2	1·8	4·1
„ 1931 . . .	3·1	1·8	18·2
„ 1932 . . .	3·9	1·0	25·1
„ 1933 . . .	3·3	2·3	21·4
„ 1934 . . .	2·6	2·3	12·7
„ 1935 . . .	2·4	1·8	8·6
„ 1936 . . .	2·2	1·9	10·3
„ 1937 . . .	2·1	1·9	9·9

1: Anonymous U-4 (no date)1938 RB1 Baltic States RB1

439 led to a reduction of her imports of bacon, and butter exports to that country had to be encouraged accordingly in order to make good the loss of free exchange.[1] What was perhaps of greater significance to the Baltic States than the cause of the fall of exports was its effect on imports. For, in the new conditions which now prevailed, it was vitally necessary, not only to reduce the value of imports *pari passu* with that of exports, but to achieve an export surplus in order to remedy the shortage of foreign exchange. This was the purpose of the numerous tariff and import quotas introduced during these years. The result of these efforts is shown below:—

TABLE 42. *Balance of Visible Trade*

(a) *Amount in million Swiss francs.* (b) *Value of exports expressed as a percentage of that of imports.*

	Estonia		*Latvia*		*Lithuania*	
	(a)	(b)	(a)	(b)	(a)	(b)
Yearly average 1928–30	− 5·4	97	−60·8	81	+ 1·9	101
Year 1931	+13·6	116	−12·5	93	− 2·3	98
„ 1932	+ 8·2	116	+12·3	114	+11·8	114
„ 1933	+ 6·2	117	− 9·5	90	+ 9·7	113
„ 1934	+11·9	125	− 9·4	90	+ 4·7	107
„ 1935	+ 9·5	117	− 2·4	98	+13·2	120
„ 1936	− 3·0	96	+12·3	114	+18·8	124
„ 1937	− 3·8	96	+17·9	113	− 2·2	98

As can be seen, the policy was highly successful in that the proportion of imports to exports was greatly reduced. In a wider sense this statement would have to be modified considerably. For, as was seen in the preceding section, this policy has involved certain radical changes in the productive system of these States, the ultimate advantages of which may be open to question.

[1] TABLE 41. *United Kingdom Imports of Bacon and Butter 1928–37.*

234 253 439

(In thousand £)

Year	*Imports of bacon from:*			*Imports of butter from:*		
	Estonia	*Latvia*	*Lithuania*	*Estonia*	*Latvia*	*Lithuania*
1928 . . .	154	559	7	628	397	11
1929 . . .	126	276	23	893	650	103
1930 . . .	94	198	252	641	332	134
1931 . . .	163	77	877	667	210	205
1932 . . .	208	46	1,181	338	450	263
1933 . . .	196	139	1,201	266	487	332
1934 . . .	190	164	926	350	421	403
1935 . . .	175	125	623	424	697	634
1936 . . .	173	145	758	493	827	884
1937 . . .	167	154	774	781	1,044	976